

UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

In re)	
)	Case No.: 22-30801-pcm11
)	22-30787-pcm11
ISABEL ENTERPRISES, INC.)	
ISABEL, LLC)	CHAPTER 11 TRUSTEE'S
)	CASE STATUS REPORT
)	
Debtor(s))	

Currently, local rules contemplate that the LBF 1195 will be filed within 120 days of entry of an Order Confirming Plan, even when the Plan is confirmed as a non-consensual Plan under 11 USC 1191(b). Since the bankruptcy estate, and case, remain open in a non-consensual plan for the life of the confirmed Plan, local rules authorize the Chapter 11 Trustee (Trustee), or other designated party, to file a status report, in lieu of LBF 1195, and to thereafter file a further status report every six months until the Plan has been completed, at which time LBF 1195 would be filed. The next status report is due roughly six months from this filing.

CURRENT STATUS REPORT

The debtor's Plan of Reorganization was confirmed as a non-consensual Plan on April 19, 2023 (Dkt. #262). The last Status Report was filed by Amy Mitchell on March 12, 2024. In that report, Ms. Mitchell noted that the debtor had failed to make Plan payments to Class 6 and 7 Claimants. In addition, Ms. Mitchell noted that the debtor had failed to pay Administrative Expense claims as required by the Plan. Finally, Ms. Mitchell noted that the debtor had failed to pay the Class 3 claimant as required by the Plan, ultimately leading that Claimant to direct the Plan Agent to liquidate the real property subject to the Claimant's lien claim, located at 330 NW 10th Ave, Portland, OR. 97209 (**Property**). Ms. Mitchell concluded her Status Report with a recommendation that the debtor's case be dismissed.

Ms. Mitchell resigned as Trustee on July 8, 2024 (Dkt. #305). Prior to that, Ms. Mitchell declined to serve as Plan Agent. On July 10, 2024, Kenneth S. Eiler was appointed successor Trustee (Dkt. #306). Prior to that, Mr. Eiler had agreed to replace Ms. Mitchell as Plan Agent. On May 9, 2024, as Plan Agent, Mr. Eiler commenced marketing the **Property**. As noted by Ms. Mitchell, this property was projected to house a new business whose operation would fund the debtor's Plan payments. That new business never materialized and the Property was vacant when the Plan Agent commenced marketing the same for sale.

On September 3, 2024, the Plan Agent accepted an offer to purchase the Property from Chookiat Saenguraiporn for \$980,000. After paying sale costs and real property taxes, the Plan Agent will not have sufficient sale proceeds remaining to fully pay the first trust deed of the Class 3 Claimant, which exceeds \$862,000. The Class 3 Claimant has consented to the sale. The Buyer is currently completing due diligence inspections.

Pursuant to the Plan, the Plan Agent cannot close a sale prior to November 9, 2024, without the consent of the debtor. On September 9, 2024, the Plan Agent emailed the debtor's counsel with a copy of the pending offer and a timetable for its completion. The Plan Agent requested the debtor's consent to the sale and advised that if he did not have the debtor's consent by September 30th, that he would presume that the debtor was not consenting. As of this writing, the debtor has not responded. If the debtor fails to consent, the Plan provides that the matter will be submitted to the Hon. Trish M. Brown for approval. The Plan provides that Judge Brown's decision is final and not subject to appeal.

CONCLUSION

The prior Trustee recommended that the debtor's Chapter 11 proceeding be dismissed. The US Trustee has advised the Trustee that the debtor has not made its quarterly fee payments. The Trustee does not expect the debtor to consent to the pending sale of the Property. Consequently, the pending sale will have to be submitted to Judge Brown for her consideration. Considering the debtor's Plan defaults, coupled with the debtor's failure to commence business operations at the Property or to otherwise propose a plan for curing the current Plan defaults, and the support of the first trust deed holder for the pending sale, the Trustee expects that Judge Brown will approve the sale. Once the pending sale closes, the Trustee will file a Motion to dismiss the debtor's Chapter 11

proceeding. The Trustee anticipates that this Motion will be filed before the end of the year.

Respectfully submitted,

/s/ Kenneth S. Eiler
Chapter 11 Trustee

c: by ecf only